

Rupee should be made basic monetary unit for accounting

The government should make rupee as basic single monetary unit for accounting for easy business transactions. The dual basic monetary system of rupee and paisa was introduced long back ago when paisa has huge value. Now the value of paisa has reached its nadir and 25 paisa coin is no more a legal tender from 2011. So it is not prudent to continue with paisa in the accounting systems and it is better to remove the paisa from currency system and continue with rupee as single monetary unit in the economy for easy business transactions.

Rupee as single monetary unit in the banking system will help people make online money transfers more easy at bank branches.

The government should make inter and intra bank money transfers easy and simple to achieve cashless economy in India.

There should be uniform charges/commissions for inter or intra bank money transfers through RTGS/NEFT/IMPS for all private and government banks as fixed by Reserve Bank of India from time to time.

There should be no commissions/service charges for depositing cash at home branches and non-home branches.

The customers should be allowed to deposit cash into his/her bank account from any bank branch anywhere in India without any commission/services charges for the deposited amount

There should be uniform service charges for encashment of cheques at non home branches for all private and government banks as fixed by the Reserve Bank of India

The Reserve Bank of India should regulate and fix uniform service charges/commissions for all online money transfers and encashment of cheques/DDs for all private and government banks.

The service charges should not vary from bank to bank.

All the commission charges including service tax if any, should be in whole numbers denoting monetary value in rupees leaving paisa value

The service charges/commissions should be rounded off to nearest rupee value ignoring paisa values

The online money transfer process for customers at bank branches should be simplified and made easy.

In the present system the customer is finding it very difficult to make an inter-bank money transfer at a bank branch. For this he/has to fill two forms, withdrawal form and money transfer form.

For the withdrawal form he/she has to calculate the amount to be transferred and the commission he/she has to pay for money transfer. For example if he/she has to transfer 10,000 from his/her account to another account in another bank he/she has to write down the total amount $10,000 + 2.87 = 10002.87$ figures and words like- ten thousand and two rupees and eighty seven paisa. For the amount 100 000 to be transferred he has to write down like this 100005.75 in figures, one lakh and five rupees and seventy five paisa only. He/she should be a mathematics genius to write down these figures. [Note - The commission figures included the 14% service tax as on 2-5-2017. These may vary from bank to bank]

To make online payments easy I suggest the following steps

Do away with the need for withdrawal form for online money transfers

Make filling of money transfer form is enough for online transfers

Only the amount to be transferred is required to be written in words and figures without bothering about the commission charges

The commission charges for the amount to be transferred should be deducted automatically from the transferor account upon the transfer of amount.

All the commission charges including service tax if any, should be in whole number denoting rupees ignoring paisa values.

The service charges/commissions should be rounded off to nearest rupee value ignoring paisa value

Make all banking accounts transform into single monetary values i.e. integers denoting rupees while ignoring decimal values for paisa. The value of rupees should be in integers without decimals. Decimal values denoting paisa should be removed from all accounts in banking system.

Recalibrate banking software so that banking accounts come into single unit monetary value with numerical system containing only integers denoting Rupees by eliminating decimal values for Paisa. The numerical value accrued in calculations should be automatically rounded off to the nearest [integer [rupee value. For example from rupees 10.01 to rupees 10.49 it should be rounded off to rupees 10 and from rupees 10.50 to 10.99 the value should be rounded off to rupees 11.

Two layer monetary system was introduced long back ago when paisa has huge value. Now the value of paisa has reached its nadir and 25 paisa coin is no more a legal tender from 2011. So it is not prudent to continue with paisa in the accounting systems and it is better to remove the paisa from currency system and continue with rupee as single basic monetary unit.

The present NEFT/RTGS/ECS charges as on 2-5-2017. These charges may vary from bank to bank

	NEFT/RTGS/ECS charges	Including service tax	My suggested charges
1—10,000	2.50	2.87	3
10,000 – 100,000	5.00	5.75	6
100,000 – 200,000	15.00	17.25	17
Above 200,000	25.00	28.75	29

VIJAYA KRUSHNA VARMA

Researcher - https://www.researchgate.net/profile/Vijaya_Varma

RAJA VENKATA NAGARAM

VISAKHAPATNAM